

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 2116 - HB 2245**

March 20, 2014

**SUMMARY OF BILL:** Prohibits an uninsured motor vehicle policy that covers multiple vehicles from being limited to applying once per accident. Authorizes the limits for all covered vehicles to be stacked to provide full coverage for the insured's loss. Authorizes the limits of multiple policies for uninsured motor vehicle coverage issued by one insurer or an affiliated insurer under common ownership to an insured or a resident relative to be stacked and applied to one accident to provide full coverage for the insured's loss. Prohibits the amount of coverage available shall not be reduced by a setoff from any other coverage.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- According to the Department of Commerce and Insurance, Insurance Division, changes made can be incorporated into the review of auto policies.
- The Division can administer and enforce this legislation within existing resources.

**IMPACT TO COMMERCE:**

**Other Fiscal Impact - Any increase in the average amount of a claim payout by motor vehicle insurers will be offset by a corresponding increase in premiums to policy holders.**

Assumptions:

- By combining multiple motor vehicle policies to provide coverage for damages of a motor vehicle accident, this act is estimated to result in an increase in the amount of a claim payout by motor vehicle insurers.
- Due to a number of unknown factors, the amount of such increase in payout is unknown, but any increase is estimated to be offset by an increase in premium to policy holders.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jdb